nitized Copy Approved for R	elease 2011/02/18 : CIA-RDP84T00301R000600010135-2
	entral entral entalligence

Top Secret
------------

25X1

**National Intelligence Daily** (Cable)

7 December 1982

Top Secret—

25X1

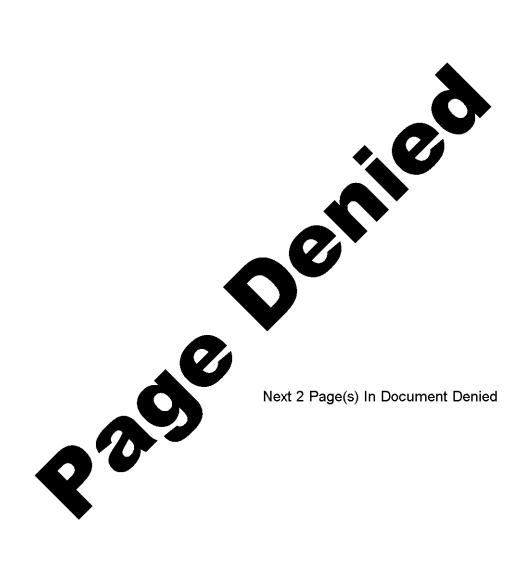


	Top Secret
Contents	
ussr: Ustinov's Interview .	1
East Germany: Financial Pros	pects . , 5
	Ministers Meet 6
	6
	g of Soviet Embassy 7
obbit onatte a contract [	<i>.</i>
Australia: Early Election Po	essible 8
	8
Argentina: General Burthe :	

25X1 25X1

Top Secret

ea Copy	Approved for Release 2011/02/18 : CIA-RDP84T00301R000600010135-2	
	USSR: Ustinov's Interview	
	ossk: ostinov s interview	
	Defense Minister Ustinov's interview with TASS yesterday was intended both as the authoritative Soviet response to President Reagan's arms control speech last month and as an effort to spur international criticism of US defense and arms control policies.	
	Ustinov threatened that if the US proceeds with the deployment of MX, the USSR will deploy a similar ICBM. He condemned the "dense pack" concept as a violation of the SALT agreements and rejected US counterarguments as "deliberate lies." He further affirmed that a US decision to defend MX with an antiballistic missile system would be a "direct breach" of the ABM Treaty if the US chose to relocate its designated ABM site from Grand Forks to another ICBM complex.	
	Ustinov may be seizing on the US MX decision to put the onus for the arms race on Washington by portraying Moscow's missile program as a justified and necessary response. His assault on alleged US ABM plans are similarly designed to call US arms control motives into question. Although the US noted in a Common Understanding to the ABM Treaty that its ABM system would be located at Grand Forks, the treaty itself allows each side to defend either its capital or an unspecified ICBM complex.	
	The choice of Ustinov to respond directly to President Reagan's speech in such a lengthy and specific rejoinder suggests that the Defense Minister may be emerging as the new regime's principal spokesman on defense issues—a role formerly assumed by Brezhnev. In a separate address to a Soviet military audience yesterday, Ustinov similarly warned that Moscow would respond to US weapons programs. At the same time, he noted that existing Soviet military might is "sufficient" to meet the current challenge from the US—perhaps suggesting a leadership effort to preempt pressure to in—crease defense spending in response to US programs.	
	Top Secret	
	1	



	Top Secret
AST GERMANY: Financial Prospects	3
Strong austerity measures have impralance, but it still may need to resched	
East Berlin in recent months tantially and has increased exports need for loans. Party leader tonth announced a trade surplus of the first 10 months of 1982, the beginning to the property of the surplus of the first 10 months of 1982, the beginning the surplus of the first 10 months of 1982, the beginning the surplus of	rts somewhat to reduce Honecker late last over \$1 billion for
//Despite the surplus and pun ebts, East Germany has only limit redit.	
'	
Comment: East Germany has ma iquidity crisis this year by draw mproving its trade performance, a alf of its debts falling due. The ore precarious next year, however ast Germany's maturing debt apparated into shorter term obligation windling, and Western bankersextest Germanyremain cool.	ving down reserves, and refinancing about ne situation could be r, because much of cently has been con- ons, its reserves are
With debt service payments eq nnual foreign exchange earnings, ill have to adopt even harsher au	East Berlin probably sterity measures in
he months ahead to persuade Weste reditworthiness.	TH Dankers Of ICS

Top Secret	25X1
USSR - SAUDI ARABIA: Foreign Ministers Meet	
An announcement in <i>Pravda</i> on Saturday reported the meeting the day before between Foreign Minister Gromyko and Foreign Minister Saud, who was a member of the visiting Arab League delegation. The one-line report gave no indication of the atmosphere or the subjects discussed. Saudi media have given extensive coverage to Riyadh's participation in the delegation and have stressed the need for a "constructive" Soviet role in the Middle East.	25X1
Comment: //Moscow presumably is extremely pleased with this first high-level Soviet-Saudi contact since diplomatic relations were suspended in the 1930s. The circumspect treatment of the meeting probably was in deference to Saudi sensitivity about such contacts and may represent a gesture of good will toward Riyadh. Saudi leaders hope their involvement in the talks in Moscow will prod the US into moving the peace process forward and will deflect domestic and foreign Arab criticism that Riyadh is too accommodating toward Washington.//	25X1
USSR: Personnel Changes	
TASS yesterday announced the replacement of Komsomol chief Boris Pastukhov by a deputy, Viktor Mishin. Pastukhov replaces the head of the Soviet publishing organization, who is being given another job. These shifts and rumors of impending changes involve the propaganda bureaucracy, which was under the direction of party secretary Suslov until his death last January.	25X1
Comment: General Secretary Andropov presumably approved of the changes, but it is not known whether he instigated them. A Western journalist's report that some members of Brezhnev's personal staff have been relieved as assistants to the General Secretary is another indication of Andropov's progress in assembling his own team.	25X1

Top Secret

25X1

6

	Top Secret
USSR-CHAD: Possible Reopening of Soviet	Embassy
The Soviet Charge to Chad, who residing Cameroon, visited N'Djamena last week the US Ambassador that Moscow soon plans embassy, which has been closed since the The Charge added that he met with a Forei official and that he believes President H pects for remaining in power are good.	and hinted to to reopen its spring of 1980. gn Ministry
Comment: Although the Soviets backe dent Goukouni's regime and have no illusing pro-Western sentiments, they now seem reswith his government. Reopening their Embtime, however, probably would strain relatibya. Libyan leader Qadhafi is increasing to Goukouni's rebel forces in northern Chamight be skeptical about Qadhafi's capabite fearful that another Libyan intervention provoke greater US and French involvement	ons about Habre's igned to dealing assy at this tions with mg military aid ad. Moscow lities and in Chad would

7

Top Secret

25X1

25X1

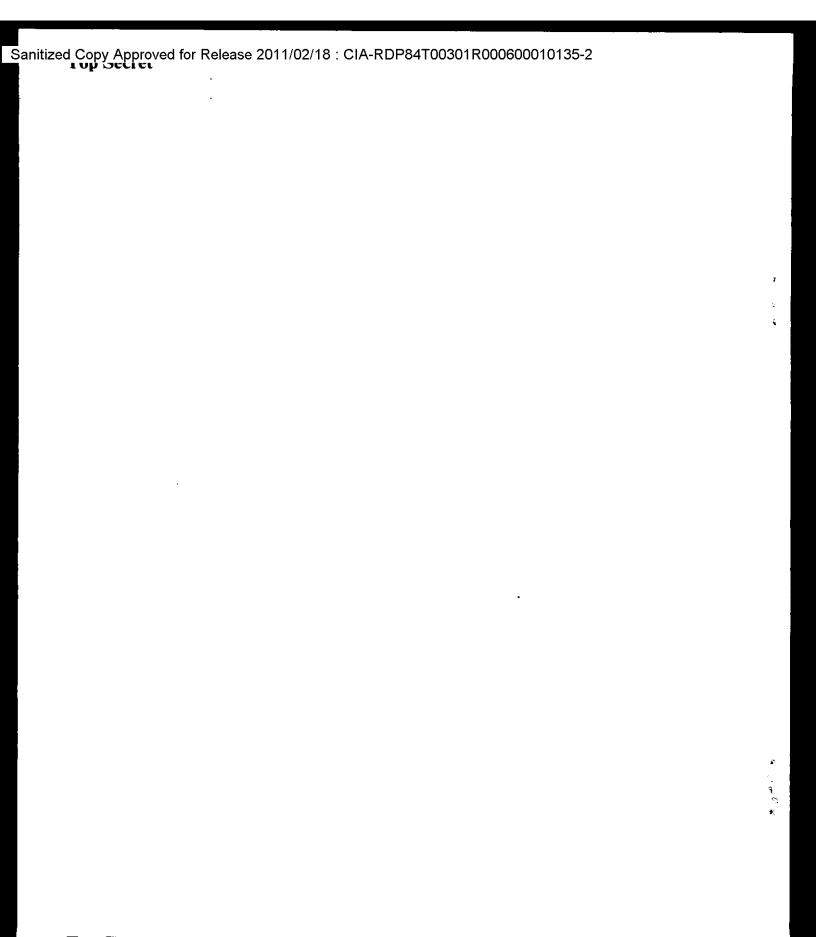
25X1 25X1

25X1

25X1

	Top Secret	25X1
AUCEDALTA: Engle Placking Descible		
AUSTRALIA: Early Election Possible		
//The government's unexpected victor parliamentary byelection has revived spectrume Minister Fraser may call an early restrained between March and May 1983. The election is prompting talk in the opposition Laborabout a leadership change, with Bob Hawke popular political figure in Australiaseparty leader Hayden.//	culation that national election n result also r Party again ethe most eeking to replace	25X1
Comment: //Fraser may decide to cap he sees as the voters' rejection of the I Political observers had been speculating would prefer to complete his term of offinext November, in hopes of an improvement economy. If he decides to go to the poll probably will wait until after the summer ends in late January. Constitutional probably in the final six months of a go would preclude a contest after May.//	Labor Party. that fraser ice which ends t by then in the ls early, Fraser r holiday season ovisions against	25X1
ARGENTINA: General Strike		
An estimated six to nine million work pated in a nationwide work stoppage yested to unconfirmed press reports. Buenos Air as public transportation remained idle ar shops closed, although no violence or lartions were reported. Late yesterday Preserve reportedly met with key ministers.	erday, according res was paralyzed nd factories and rge demonstra- sident Bignone	25X1
Comment: The success of the strike opponents of the regime, complicating polynomic planning. Labor and political lead the strike's broad backing to build support demonstrations this month, and calls for now tentatively scheduled for late next ysify. These leaders have already rejected proposal for an agreement on key economic issues, and they now will be even less whate. Moreover, concessions to workers of fit increases could adversely affect negotiation for additional loans and create a condition for a condi	litical and eco- ders will use ort for additional early elections yearwill inten- ed the military's c and political illing to negoti- n wage and bene- otiations with ity measures as dits.	
	Top Secret	
8	_	25X1





Top Secret